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## REMARKS

The Office Action dated May 20, 2005 has been received and considered.

Reconsideration of the outstanding rejections in the present application is respectfully requested based on the following remarks.

**Anticipation Rejection of Claims 1, 8-11 and 18-21**

At page 2 of the Office Action, claims 1, 8-11 and 18-21 were rejected under 35 U.S.C. Section 102(b) as being anticipated by Joao (U.S. Patent No. 6,047,270). This rejection is respectfully traversed.

Claim 1, from which claims 8-10 depend, recites the features of providing *multiple options* for a payment card holder *to decline authorization* of an attempted transaction (emphasis added). The Office Action asserts that the passage of Joao at col. 20, lines 48-67 discloses these features. For ease of reference, this cited passage of Joao is reproduced in its entirety below:

The apparatus 1 will then, at step 39, wait for the cardholder to respond to the transmission. During this time, the cardholder may either utilize the reply or two-way pager feature on the communication device 4 in order to either approve or authorize the transaction or disapprove of or void the transaction. At step 39, the central processing computer 3 will also receive the response if one is sent. At step 40, the apparatus 1 will determine if the cardholder has made a reply or response within the pre-defined time limit which is chosen, in the preferred embodiment, to be one (1) minute. The cardholder may also transmit a signal via an appropriate key or button suspending use of the card such as when he or she may first be apprised of the fact that the card has been lost or stolen. In instances when the communication device 4 does not have a reply or two-way pager feature, the cardholder may simply telephone the central processing office or a processing center for the card in order to personally appraise the center or office of his or her response to the central processing computer transmission regarding the transaction.

Joao, col. 20, lines 48-67.

The Applicants respectfully submit that the above-cited passage of Joao discloses providing only a *single* option "to disapprove of or void" a transaction by "utilizing the reply or two-way pager feature on the communication device." This passage of Joao does not disclose

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that another option to decline the transaction is provided. Similarly, Joao fails to disclose providing multiple options for declining a transaction. Accordingly, Joao fails to disclose the features of providing *multiple* options to decline authorization of an attempted transaction as recited by claim 1. The Office Action therefore fails to establish that Joao discloses each and every element of claim 1, as well as each and every element of claims 8-10 at least by virtue of their dependency from claim 1.

Moreover, these dependent claims recite additional features not disclosed by Joao. As an example, claim 8 recites the features of receiving a selection made by the payment card holder of one of the multiple options to decline the attempted transaction and sending a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined. The Office Action asserts that the passage of Joao at col. 21, lines 24-41 discloses these features. However, this cited passage discloses that “[a]fter the unauthorized transaction count has been incremented, the central processing computer 3 will, at step 48, transmit a signal and/or data to the point-of-sale device 2 which will notify and/or instruct the point-of-sale operator that the transaction is not authorized and should, therefore, be canceled or voided.” Joao, col. 21, lines 33-38. Thus, this cited passage of Joao merely provides that a “signal and/or data” is provided to notify a point-of-sale operator that the transaction is not authorized and therefore should be canceled. However, neither this passage nor any other passage of Joao discloses any reason as to why the transaction was not authorized. Accordingly, Joao fails to disclose the features of providing a reason code to a merchant to indicate why the attempted transaction has been declined, as recited by claim 8.

As another example, claim 10 recites the additional feature where the notification message indicates *at least part of a number of the payment card* (emphasis added). The Office Action asserts that the passage of Joao at col. 20, lines 23-36 discloses this feature. However, the Applicants respectfully submit that this cited passage fails to disclose providing, in a notification message, *part or all of a number of a payment card* involved in the transaction. Likewise, no other passage of Joao discloses that a notification message indicates at least part of a number of a payment card. Accordingly, Joao fails to disclose the feature of wherein the notification message indicates at least part of a number of a payment card, as recited by claim 10.

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Claim 11, from which claims 18-21 depend, recites a payment card transaction notification and authorization system that provides *multiple* options for a payment card holder to *decline authorization* of an attempted transaction (emphasis added). The Office Action rejects claim 11 under the same rationale as the rejection of claim 1. However, as noted above with respect to claim 1, Joao discloses providing only a single option to “disapprove of or void” a transaction and thus fails to disclose the features of providing *multiple* options to decline authorization as recited by claim 11. Accordingly, the Office Action fails to establish that Joao discloses each and every feature of claim 11, as well as each and every feature of claims 18-21 at least by virtue of their dependency from claim 11.

Moreover, these dependent claims recite additional features not disclosed by Joao. As an example, claim 18 recites that the payment card transaction modification and authorization system is to send a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction code has been declined. As discussed above with reference to claim 8, Joao fails to disclose this claimed feature.

As another example, claim 20 recites the feature of wherein the notification message indicates at least part of a number of the payment card. As noted above with respect to claim 10, Joao fails to disclose this feature.

As yet another example, claim 20 recites the feature of wherein the payment card transaction notification and authorization system is further to increase a purchase limit threshold for the payment card based on a short messaging service (SMS) message received from the payment card holder. The Office Action asserts that the passage of Joao at col. 13, lines 23-31 discloses this feature. However, the Applicants submit that neither this cited passage nor any other passage of Joao mentions SMS messages in any manner, much less that an increase in a purchase limit threshold for a payment card is based on an SMS message as provided by claim 20. Accordingly, it is respectfully submitted that Joao fails to disclose the features of claim 27.

In view of the foregoing, it is respectfully submitted that the anticipation rejection of claims 1, 8-11 and 18-21 is improper and the withdrawal of this rejection is respectfully requested.

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**Obviousness Rejection of Claims 2-6, 12-16 and 22**

At page 4 of the Office Action, claims 2-6, 12-16 and 22 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Joao in view of Walker (U.S. Patent No. 5,999,596). This rejection is hereby respectfully traversed.

Claim 1, from which claims 2-6 depend, recites providing multiple options for a payment card holder to decline authorization of an attempted transaction. Claim 11, from which claims 12-16 depend, recites a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction. As discussed above, Joao does not disclose these claimed features. With respect to Walker, the Office Action asserts that these features are taught by the passages at col. 10, lines 8-17 and 25-60. *Office Action*, p. 4. For ease of reference, these cited passages are reproduced in their entirety below:

Press 1 if you wish to authorize this transaction. Press 2 if you wish to decline this transaction. Press 3 if you wish to talk with Joe Smith. The underlined text may be played by IVRU 34 to the account holder by accessing the relevant voice files, or other data in the case of a monetary amount, in the appropriate databases. The account holder responds by depressing the number "1," "2," or "3" on the keypad of telephone 35 and a signal indicative of the response is transmitted to server 30 in a conventional manner.

*Walker*, col. 10, lines 8-17.

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If processor 120 received a signal indicating that the user depressed the number "3" on his keypad, then the account holder does desire to communicate with the user. In this case, at step 624, processor 120 enables or initiates communication between the account holder and the user. In this embodiment, processor 120 accesses the record in merchant database 300 whose filed 300B corresponds to the CAT identifier that was include in the purchase authorization request received at step 602. Processor 120 retrieves the telephone number stored in filed 300C for that record.

The retrieved telephone number is used by IVRU 34, under control of processor 120 and telecommunications switch 32, to place a telephone call to the user at telephone 20 in the proximity of CAT 15. The method and apparatus disclosed in U.S. Pat. No. 5,319,701, incorporated herein by reference, may be used to establish connection between telephone 35 and telephone 20 so that the account holder may communicate with the user before authorizing or declining the transaction at step 622.

The account holder and the user may communicate to discuss the circumstances surrounding the transaction. For example, consider an account holder who has a parental relationship with the user. Further consider that the parent permitted the child to use the credit card only in cases of emergency. In such an instance, the parent and child may communicate to discuss the nature of the emergency. In one embodiment, processor 120 is configured to track the duration of the communication so that a fee can be charged to the financial account based on the duration.

At step 622, based on the communication, the account holder can authorize or decline the transaction using telephone 35. To do so, the account holder depresses the number "1" or "2" on the keypad of telephone 35. A signal indicative of that response is transmitted to server 30 in a conventional manner at which point the command is executed.

*Id.*, col. 10, lines 25-60.

As these passages of Walker demonstrate, Walker teaches that an account holder may "press 1" to authorize the transaction, "press 2" to decline the transaction, and "press 3" to talk to "Joe Smith." Walker does not disclose another way for the account holder to decline the transaction besides pressing the number "2" on the keypad. *See Id.* Thus, Walker, like Joao, teaches providing only a *single* option for declining a transaction, whereas claim 1 recites providing *multiple* options to decline authorization of an attempted transaction and claim 11 recites a payment card transaction notification and authorization system to provide *multiple* options to decline authorization of an attempted transaction. The Office Action therefore fails to

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establish that the proposed combination of Joao and Walker discloses or suggests each and every feature of claims 2-6 and 12-16 at least by virtue of their dependency from one of claims 1 or 11.

Moreover, these dependent claims recite additional features neither disclosed nor suggested by Joao or Walker. As an example, claims 2 and 12 recite wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. The Office Action acknowledges that "Joao lacks the specific teaching of the first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction," and the Office Action therefore relies on the above-cited passages of Walker as allegedly disclosing these features. *Office Action*, p. 4. As a first issue, neither Joao nor Walker disclose or suggest providing multiple options for declining authorization of an attempted transaction, as discussed above. As a second issue, neither Joao nor Walker disclose or suggest that different options are provided based on whether the attempted transaction is (1) undesirable but non-fraudulent or (2) fraudulent. Accordingly, contrary to the assertions of the Office Action, neither Joao nor Walker disclose or suggest providing a first option to decline authorization of an undesirable but non-fraudulent transaction and a second option to decline authorization of a fraudulent transaction, as provided by claims 2 and 12.

As another example, claim 3 recites receiving a selection made by the payment card holder of the first option and, based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction *and to return the payment card to an individual attempting the transaction* (emphasis added). Claim 13 recites similar features. The Office Action asserts that the passage of Walker at col. 10, lines 45-60 (reproduced above) discloses these features. However, the Applicants submit that this passage of Walker fails to disclose providing a message to a merchant to decline an attempted transaction and to return the payment card to an individual attempting the transaction.

As yet another example, claim 6 recites receiving a selection made by the payment card holder of the second option and, based on the selection, *automatically* reporting the fraudulent transaction to a law enforcement authority (emphasis added). Claim 16 recites similar features.

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The Office Action asserts that the passage of Joao at col. 21, lines 39-41 discloses these features. However, this cited passage of Joao provides that "[t]he point-of-sale device operator may then confiscate the card and/or alert the authorities." Joao, col. 21, lines 39-41 (emphasis added). One of ordinary skill in the art will recognize that the ability of a point-of-sale device operator (i.e., a person) to contact the authorities does not constitute automatically reporting a fraudulent transaction to a law enforcement authority since relying on the human operator requires a conscious decision or act on the part of the point-of-sale device operator. Moreover, a point-of-sale device operator may choose to not "call and/or alert the authorities" for any of a variety of reasons, hence rendering the action of the point-of-sale operator in alerting the authorities far from automatic.

Claim 22 recites providing a notification message to a payment card holder of an attempted transaction using a payment card, the notification message indicating at least part of a number of the payment card. As discussed above with respect to claims 10 and 20, Joao fails to disclose or suggest providing a notification message indicating at least part of a number of a payment card. The Office Action does not assert that Walker discloses or suggests these features.

Claim 22 further recites the features of providing multiple options for the payment card holder to decline authorization of the attempted transaction. As noted above with respect to claims 1, 2, 11 and 12, neither Joao nor Walker disclose or suggest these features. Claim 22 additionally recites wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. As discussed above with respect to claims 2 and 12, neither Joao nor Walker disclose or suggest these features.

Claim 22 further recites providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction. As discussed above with respect to claims 3 and 13, neither Joao nor Walker disclose or suggest these features. Accordingly, the Office Action fails to establish that

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the proposed combination of Joao and Walker discloses or suggests at least the features of claim 22, as described herein.

In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 2-6, 12-16 and 22 is improper and the withdrawal of this rejection therefore is respectfully requested.

**Obviousness Rejection of Claims 7 and 17**

At page 5 of the Office Action, claims 7 and 17 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Joao and Walker and further in view of Cohen (U.S. Patent No. 6,422,462). This rejection is respectfully traversed.

Claim 1, from which claim 7 depends, recites providing multiple options for a payment card holder to decline authorization of an attempted transaction. Claim 11, from which claim 17 depends, recites a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction. As discussed above, Joao and Walker, alone or in combination, do not disclose or suggest these features. The Office Action does not assert that Cohen discloses or suggests these features. Accordingly, the Office Action fails to establish that the proposed combination of Joao, Walker and Cohen discloses or suggests each and every element of claims 7 or 17 at least by virtue of their dependency from claims 1 and 11, respectively.

Moreover, claims 7 and 17 recite additional features neither disclosed nor suggested by Joao, Walker or Cohen, or any combination thereof. Claim 7 recites the additional features of receiving a selection made by a payment card holder of a second option (for the payment card holder to decline authorization of a fraudulent transaction) and, based on the selection, automatically reporting the fraudulent transaction to a credit reporting agency. Claim 17 recites similar features. The Office Action acknowledges that Joao and Walker fail to disclose or suggest these features and therefore asserts that the passage of Cohen at col. 3, lines 11-18 discloses these features. However, this cited passage of Cohen discloses that "by making temporary disposable numbers . . . indistinguishable in appearance from regular credit card numbers, a potential thief is unable to tell in advance that a particular number is a disposable



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number, and already not valid. This may in turn enhance the potential of catching the thief by alerting the credit card company the first time someone attempts to illegally use the pilfered number." *Cohen*, col. 3, lines 11-18. This cited passage of *Cohen* fails to disclose that a fraudulent transaction is *automatically* reported to a *credit reporting agency*. Accordingly, it is respectfully submitted that the proposed combination of Joao, Walker and *Cohen* fails to disclose or suggest each and every feature of claims 7 and 17.

In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 7 and 17 is improper and the withdrawal of this rejection therefore is respectfully requested.

**Conclusion**

The Applicants respectfully submit that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the present application.

The Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to Deposit Account Number 50-2469.

Respectfully submitted,

Date

20 July 2005



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